



4310-VH-P

DEPARTMENT OF THE INTERIOR

Bureau of Safety and Environmental Enforcement

**[Docket ID BSEE-2014-0005; OMB Control Number 1014-0015; 14XE1700DX
EEEE500000 EX1SF0000.DAQ000]**

**Information Collection Activities: Unitization; Proposed Collection; Comment
Request**

ACTION: 60-day Notice.

SUMMARY: To comply with the Paperwork Reduction Act of 1995 (PRA), the Bureau of Safety and Environmental Enforcement (BSEE) is inviting comments on a collection of information that we will submit to the Office of Management and Budget (OMB) for review and approval. The information collection request (ICR) concerns a revision to the paperwork requirements in the regulations under Subpart M, *Unitization*.

DATE: You must submit comments by [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments by either of the following methods listed below.

- Electronically go to <http://www.regulations.gov>. In the Search box, enter BSEE-2014-0005 then click search. Follow the instructions to submit public comments and view all related materials. We will post all comments.
- Email cheryl.blundon@bsee.gov. Mail or hand-carry comments to the Department of the Interior; Bureau of Safety and Environmental Enforcement; Regulations and Standards Branch; ATTN: Cheryl Blundon; 381 Elden Street, HE3313; Herndon,

Virginia 20170-4817. Please reference ICR 1014-0019 in your comment and include your name and return address.

FOR FURTHER INFORMATION CONTACT: Cheryl Blundon, Regulations and Standards Branch at (703) 787-1607 to request additional information about this ICR.

SUPPLEMENTARY INFORMATION:

Title: 30 CFR Part 250, Subpart M, *Unitization*.

OMB Control Number: 1014-0015.

Abstract: The Outer Continental Shelf (OCS) Lands Act, as amended (43 U.S.C. 1331 *et seq.* and 43 U.S.C. 1801 *et seq.*), authorizes the Secretary of the Interior (Secretary) to prescribe rules and regulations to administer leasing of the OCS. Section 1334(a) specifies that the Secretary “provide for the prevention of waste and conservation of the natural resources of the [O]uter Continental Shelf, and the protection of correlative rights therein” and include provisions for “unitization, pooling, and drilling agreements.”

In addition to the general rulemaking authority of the OCS Lands Act at 43 U.S.C. 1334, section 301(a) of the Federal Oil and Gas Royalty Management Act (FOGRMA), 30 U.S.C. 1751(a), grants authority to the Secretary to prescribe such rules and regulations as are reasonably necessary to carry out FOGRMA’s provisions. While the majority of FOGRMA is directed to royalty collection and enforcement, some provisions apply to offshore operations. For example, section 108 of FOGRMA, 30 U.S.C. 1718, grants the Secretary broad authority to inspect lease sites for the purpose of determining whether there is compliance with the mineral leasing laws. Section 109(c)(2) and (d)(1), 30 U.S.C. 1719(c)(2) and (d)(1), impose substantial civil penalties for failure to permit lawful inspections and for knowing or willful preparation or submission of false,

inaccurate, or misleading reports, records, or other information. Because the Secretary has delegated some of the authority under FOGDMA to BSEE, 30 U.S.C. 1751 is included as additional authority for these requirements.

The Independent Offices Appropriations Act (31 U.S.C. 9701), the Omnibus Appropriations Bill (Pub. L. 104-133, 110 Stat. 1321, April 26, 1996), and the Office of Management and Budget (OMB) Circular A-25, authorize Federal agencies to recover the full cost of services that confer special benefits. Under the Department of the Interior's implementing policy, BSEE is required to charge fees for services that provide special benefits or privileges to an identifiable non-Federal recipient above and beyond those which accrue to the public at large. Voluntary or revised unitization requests are required in Subpart M and are subject to cost recovery; BSEE regulations specify service fees for these requests.

The BSEE must approve any lessee's proposal to enter an agreement to unitize operations under two or more leases and for modifications when warranted. We use the information to ensure that operations under the proposed unit agreement will result in preventing waste, conserving natural resources, and protecting correlative rights including the government's interests.

This authority and responsibility are among those delegated to BSEE. This notice concerns the paperwork requirements of 30 CFR 250, Subpart M, Unitization, and related documents. Responses are mandatory or are required to obtain or retain a benefit. No questions of a sensitive nature are asked. We protect proprietary information according to the Freedom of Information Act (5 U.S.C. 552) and DOI's implementing regulations

(43 CFR 2); 30 CFR 250.197, *Data and information to be made available to the public or for limited inspection*; and 30 CFR part 252, *OCS Oil and Gas Information Program*.

Frequency: The frequency of reporting is on occasion.

Description of Respondents: Potential respondents comprise Federal oil, gas, or sulphur lessees and/or operators.

Estimated Reporting and Recordkeeping Hour Burden: The currently approved annual reporting and non-hour cost burdens for this collection are 3,348 hours and \$170,728 non-hour cost burdens. In this submission, we are requesting a total of 5,772 burden hours and \$138,188 non-hour cost burdens. The following chart details the individual components and respective hour and non-hour cost burden estimates of this ICR. In calculating the burdens, we assumed that respondents perform certain requirements in the normal course of their activities. We consider these to be usual and customary and took that into account in estimating the burden.

[GPO: PLEASE SET THE FOLLOWING TABLE WITH BOLD HEADINGS AND BOTH VERTICAL AND HORIZONTAL LINES.]

Citation 30 CFR 250 Subpart M	Reporting Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
		Non-Hour Cost Burdens		
Requests				
1301	Description of requirements.	Burden included in the following sections.		0
1301(d), (f)(3), (g)(1), (g)(2)(ii)	Request suspension of production or operations.	Burden covered in 1014-0022.		0
1302(b)	Request preliminary determination on competitive reservoir.	116	1 request	116
1304(b)	Request compulsory unitization, including submitting unit agreement, unit operating agreement, initial plan of operation, obtain approval of Regional	234	1 request	234

Citation 30 CFR 250 Subpart M	Reporting Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
		Non-Hour Cost Burdens		
	Supervisor if required, and supporting data; serving non-consenting lessees with documents.			
1304(d)	Request hearing on required unitization.	1	1 request	1
Subtotal			3 responses	351 hours
Submittals				
1302(b)	Submit concurrence or objection on competitiveness with supporting evidence.	47	1 request	47
1302(c), (d)	Submit joint plan of operations, supplemental plans, or a separate plan if agreement cannot be reached.	68	1 plan	68
1303; 1304	*Submit revisions or modifications to unit agreement, unit operating agreement, plan of operation, change of unit operator, etc.	15	41 revs/mods	615
		\$896 fees x 41 revisions/modifications = \$36,736		
1303; 1304	*Submit initial, and revisions to, participating area.	76	9 submissions	684
1304(d)	Submit statement at hearing on compulsory unitization.	5	1 statement	5
1304(e)	Pay for and submit three copies of verbatim transcript of hearing.	1	1 submission	1
		Court reporter and 3 transcript copies for 1 hearing = \$500		
Subtotal			54 responses	1,420 hours
			\$37,236 non-hour cost burdens	
General				
1303	Apply for voluntary unitization, include submitting unit agreement, unit operating agreement, initial plan of operation, obtain BSEE approval if required, and supporting data; request for variance from model agreement and other related requirements.	500	8 apps / plans	4,000
		\$12,619 fee x 8 applications/plans = \$100,952		
1304(f)	Appeal final order of compulsory unitization.	Exempt as defined in 5 CFR 1320.4(a)(2), (c).		0
1300-1304	General departure / alternative compliance requests not specifically covered elsewhere in subpart M regulations.	1	1 requests	1
Subtotal			9 responses	4,001

Citation 30 CFR 250 Subpart M	Reporting Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
		Non-Hour Cost Burdens		
				hours
			\$100,952 non-hour cost burdens	
Total Burden			66 Responses	5,772 Hours
			\$138,188 Non-Hour Cost Burdens	

* These requirements are specified in each Unit Agreement.

Estimated Reporting and Recordkeeping Non-Hour Cost Burden: We have identified three non-hour cost burdens associated with this information collection. Section 250.1303 requires respondents to pay filing fees when (1) applying for a voluntary unitization proposal or unit expansion (\$12,619), as well as a (2) unitization revision (\$896). The filing fees are required to recover the Federal Government's processing costs. Section 250.1304(d) provides an opportunity for parties notified of compulsory unitization to request a hearing; therefore § 250.1304(e) requires the party seeking the compulsory unitization to (3) pay for the court reporter and three copies of the verbatim transcript of the hearing (approximately \$500); for a total of \$138,188. We have not identified any other non-hour cost burdens associated with this collection of information.

Public Disclosure Statement: The PRA (44 U.S.C. 3501, *et seq.*) provides that an agency may not conduct or sponsor a collection of information unless it displays a currently valid OMB control number. Until OMB approves a collection of information, you are not obligated to respond.

Comments: Before submitting an ICR to OMB, PRA section 3506(c)(2)(A) requires each agency “. . . to provide notice . . . and otherwise consult with members of the public

and affected agencies concerning each proposed collection of information . . .”.

Agencies must specifically solicit comments to: (a) evaluate whether the collection is necessary or useful; (b) evaluate the accuracy of the burden of the proposed collection of information; (c) enhance the quality, usefulness, and clarity of the information to be collected; and (d) minimize the burden on the respondents, including the use of technology.

Agencies must also estimate the non-hour paperwork cost burdens to respondents or recordkeepers resulting from the collection of information. Therefore, if you have other than hour burden costs to generate, maintain, and disclose this information, you should comment and provide your total capital and startup cost components or annual operation, maintenance, and purchase of service components. For further information on this burden, refer to 5 CFR 1320.3(b)(1) and (2), or contact the Bureau representative listed previously in this notice.

We will summarize written responses to this notice and address them in our submission for OMB approval. As a result of your comments, we will make any necessary adjustments to the burden in our submission to OMB.

Public Comment Procedures: Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made

publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Dated: May 10, 2014.

Robert W. Middleton, Deputy Chief,
Office of Offshore Regulatory Programs.

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